GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:5026
ANSWERED ON:21.12.2000
FINANCIAL CRISIS FACED BY KONKAN RAILWAYS
DR. KIRIT SOMAIYA

Will the Minister of RAILWAYS be pleased to state:

(a)whether the Konkan Railway Corporation is facing financial crisis to continue their project;

(b)if so, the details thereof;

(c)whether the Konkan Railway Corporation does not have money to repay the interest and instalment of loan;

(d)whether the State Governments have not contributed their shares towards equity and loan;

(e)if so, the reasons therefor; and

(f)the manner in which the Konkan Railway Corporation has planned to refund the bond money raised by them?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (f): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF UNSTARRED QUESTION NO. 5026 BY SHRI KIRIT SOMAIYA TO BE ANSWERED IN LOK SABHA ON 21.12.2000 REGARDING FINANCIAL CRISIS FACED BY KONKAN RAILWAYS.

(a) & (b): The Corporation is in its operational phase since the completion of the construction phase on 26.01.1998.

(c): Yes, Sir. However, Ministry of Railways has been providing assistance to the Corporation to ensure timely payment of interest on loans.

(d) & (e): The Government of Maharashtra and the Government of Goa have not fully contributed towards their share of equity, and the balance equity yet to be paid by these Governments is Rs. 21.77 crores and Rs.

724 crores respectively. The reasons for the same are being followed up with them.

(f): Konkan Railway has been asked to make all out efforts to maximise the generation of internal resources so as to be able to meet its obligations.

In the interim, the Ministry of Railways is providing loans to meet its obligations. Already a loan of Rs. 200 crores in 1999-2000 and Rs. 324 crores during 2000-2001 has been extended to the corporation to meet its loan obligations. Separately, Ministry of Railways is considering approaching the Ministry of Finance for providing a financial package as a long term solution.